

GOLDMAN SACHS ASSET MANAGEMENT LP  
Form SC 13D/A  
November 20, 2009

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D/A  
Under the Securities Exchange Act of 1934

(Amendment No. 1)

GSI Group Inc.

-----  
(Name of Issuer)

Common Stock, no par value

-----  
(Title of Class of Securities)

36229U102

-----  
(CUSIP Number)

Ellen Porges, Esq.  
Goldman Sachs Asset Management  
One New York Plaza  
New York, NY 10004  
212-902-1000

-----  
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

November 19, 2009

-----  
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box [ ].

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

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\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(Continued on following pages)  
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|              |  |                          |                   |
|--------------|--|--------------------------|-------------------|
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| -----        |  | -----                    |                   |
| 1            | NAME OF REPORTING PERSON   |                          |                   |
|              | Goldman Sachs Asset Management<br>(Goldman Sachs Asset Management, L.P., together with GS<br>Investment Strategies, LLC, "Goldman Sachs Asset Management") |                          |                   |
| -----        |  | -----                    |                   |
| 2            | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>                                      |                          |                   |
| -----        |  | -----                    |                   |
| 3            | SEC USE ONLY   |                          |                   |
| -----        |  | -----                    |                   |
| 4            | SOURCE OF FUNDS  |                          |                   |
|              | AF   |                          |                   |
| -----        |  | -----                    |                   |
| 5            | CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT<br>TO ITEMS 2(d) or 2(e) <input type="checkbox"/>  |                          |                   |
| -----        |  | -----                    |                   |
| 6            | CITIZENSHIP OR PLACE OF ORGANIZATION   |                          |                   |
|              | Delaware   |                          |                   |
| -----        |  | -----                    |                   |
| NUMBER OF    | 7  | SOLE VOTING POWER        |                   |
| SHARES       |  | 0                        |                   |
| -----        |  | -----                    |                   |
| BENEFICIALLY | 8  | SHARED VOTING POWER      |                   |
| OWNED        |  | 1,534,369                |                   |
| -----        |  | -----                    |                   |
| BY EACH      | 9  | SOLE DISPOSITIVE POWER   |                   |
| REPORTING    |  | 0                        |                   |
| -----        |  | -----                    |                   |
| PERSON       | 10   | SHARED DISPOSITIVE POWER |                   |
|              |  | 1,534,369                |                   |
| -----        |  | -----                    |                   |
| 11           | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON   |                          |                   |
|              | 1,534,369  |                          |                   |
| -----        |  | -----                    |                   |
| 12           | CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN<br>SHARES <input type="checkbox"/>  |                          |                   |
| -----        |  | -----                    |                   |
| 13           | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11   |                          |                   |
|              | 3.2% (see Item 4)  |                          |                   |
| -----        |  | -----                    |                   |
| 14           | TYPE OF REPORTING PERSON   |                          |                   |
|              | IA   |                          |                   |
| -----        |  | -----                    |                   |

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| -----        |   | -----                    |                   |
| 1            | NAME OF REPORTING PERSON  |                          |                   |
|              | Liberty Harbor I GP, LLC  |                          |                   |
| 2            | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/> |                          |                   |
| 3            | SEC USE ONLY  |                          |                   |
| 4            | SOURCE OF FUNDS   |                          |                   |
|              | AF  |                          |                   |
| 5            | CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2 (d) or 2 (e) <input type="checkbox"/>        |                          |                   |
| 6            | CITIZENSHIP OR PLACE OF ORGANIZATION  |                          |                   |
|              | Delaware  |                          |                   |
| NUMBER OF    | 7   | SOLE VOTING POWER        |                   |
| SHARES       |   | 0                        |                   |
| BENEFICIALLY | 8   | SHARED VOTING POWER      |                   |
| OWNED        |   | 1,534,369                |                   |
| BY EACH      | 9   | SOLE DISPOSITIVE POWER   |                   |
| REPORTING    |   | 0                        |                   |
| PERSON       | 10  | SHARED DISPOSITIVE POWER |                   |
|              |   | 1,534,369                |                   |
| 11           | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  |                          |                   |
|              | 1,534,369   |                          |                   |
| 12           | CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>                            |                          |                   |
| 13           | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11  |                          |                   |
|              | 3.2% (see Item 4)   |                          |                   |
| 14           | TYPE OF REPORTING PERSON  |                          |                   |
|              | OO  |                          |                   |
| -----        |   | -----                    |                   |

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| -----        |   | -----                    |                   |
| 1            | NAME OF REPORTING PERSON  |                          |                   |
|              | Liberty Harbor Master Fund I, L.P.  |                          |                   |
| 2            | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/> |                          |                   |
| 3            | SEC USE ONLY  |                          |                   |
| 4            | SOURCE OF FUNDS   |                          |                   |
|              | WC  |                          |                   |
| 5            | CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>          |                          |                   |
| 6            | CITIZENSHIP OR PLACE OF ORGANIZATION  |                          |                   |
|              | Cayman Islands  |                          |                   |
| NUMBER OF    | 7   | SOLE VOTING POWER        |                   |
| SHARES       |   | 0                        |                   |
| BENEFICIALLY | 8   | SHARED VOTING POWER      |                   |
| OWNED        |   | 1,534,369                |                   |
| BY EACH      | 9   | SOLE DISPOSITIVE POWER   |                   |
| REPORTING    |   | 0                        |                   |
| PERSON       | 10  | SHARED DISPOSITIVE POWER |                   |
|              |   | 1,534,369                |                   |
| 11           | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  |                          |                   |
|              | 1,534,369   |                          |                   |
| 12           | CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>                            |                          |                   |
| 13           | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11  |                          |                   |
|              | 3.2% (see Item 4)   |                          |                   |
| 14           | TYPE OF REPORTING PERSON  |                          |                   |
|              | PN  |                          |                   |
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ITEM 1. SECURITY AND ISSUER

This Amendment No. 1 (the "Amendment") amends the statement on Schedule 13D filed on July 2, 2009 (the "Original Schedule 13D", as amended, the "Schedule 13D") with respect to the common stock, no par value (the "Common Stock"), of GSI Group Inc., a company continued and existing under the laws of the Province of New Brunswick, Canada (the "Issuer"). Capitalized terms used herein and not otherwise defined in this Amendment have the meanings set forth in the Original Schedule 13D. This Amendment amends Items 4, 5(c), 6 and 7 as set forth below.

ITEM 4. PURPOSE OF TRANSACTION

Item 4 of the Schedule 13D is hereby amended and supplemented by the addition of the following:

On November 19, 2009, Liberty Harbor and certain of the other Noteholders (the "Consenting Noteholders") entered into a Noteholder Restructuring Plan Support Agreement (the "Plan Support Agreement") with the Issuer, the Subsidiary and certain of their subsidiaries and affiliates (together, the "Issuer Parties"), under which the parties thereto agreed to the terms of a restructuring of the Notes pursuant to a chapter 11 plan of reorganization, the terms of which are substantially similar to those set forth in the Term Sheet. The commitment to support the restructuring is contingent, among other things, upon receipt of a bankruptcy court approved Disclosure Statement (as defined in the Plan Support Agreement) and other solicitation materials in support of the Plan.

Pursuant to the Plan Support Agreement, the Noteholders party thereto agreed, among other things subject to certain exceptions, (i) to vote all claims or shares it holds or asserts against the Issuer Parties in favor of the Plan (as defined in the Plan Support Agreement), (ii) not to object to confirmation of the Plan or object to or otherwise commence any proceeding to oppose or alter the Plan or support an alternative plan, and (iii) not to withdraw, change or revoke its vote with respect to the Plan, except as otherwise provided in the Plan Support Agreement, and (iv) except as otherwise permitted in the Plan Support Agreement, not to take any other action that would materially prevent or delay the consummation of the restructuring contemplated by the Plan Support Agreement.

The Plan Support Agreement is subject to termination upon the occurrence of certain events, including, without limitation, (i) at the option of 66 2/3% of Consenting Noteholders (the "Required Noteholders"), upon the failure of the Issuer Parties to take certain actions by specified milestone dates, (ii) at the option of the Issuer Parties or the Required Noteholders, if the bankruptcy court grants relief that is materially inconsistent with the Plan Support Agreement or the Plan or (iii) at the option of the Required Noteholders, upon the occurrence of a Material Adverse Change (as defined in the Plan Support Agreement).

This description of the Plan Support Agreement is a summary only and is qualified in its entirety by reference to the Plan Support Agreement, a copy of which is referenced as Exhibit 11 hereto (which incorporates by reference Exhibit 10.1 of the Current Report on Form 8-K filed by the Issuer on November 20, 2009) and is incorporated herein by reference.

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As more fully described in the Plan, under the Plan the Notes will be exchanged for, among other things, New Senior Secured Notes (as defined in the Plan) and common stock of the reorganized Issuer. This description of the Plan is a summary only and is qualified in its entirety by reference to the Plan, a copy of which was filed as Exhibit A of Exhibit 10.1 of the Current Report on Form 8-K filed by the Issuer on November 20, 2009.

In addition, the 10th paragraph of Item 4 of the Schedule 13D is hereby amended to add the following:

The Reporting Persons and certain of the other Noteholders (the "Jointly Represented Noteholders") have jointly retained counsel in connection with their respective investments in the Notes to negotiate on behalf of the Jointly Represented Noteholders in connection with the restructuring of the Notes. Each Jointly Represented Noteholder will make an independent decision regarding any proposal to or from the Issuer relating to its investment in the Notes.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

Item 5(c) of the Schedule 13D is hereby amended and restated as follows:

(c) No transactions in the Common Stock were effected by the Reporting Persons or, to the knowledge of any of the Reporting Persons, any of the persons listed on Schedule I-A or Schedule I-B hereto, during the sixty day period from September 20, 2009 through November 19, 2009.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

Item 6 of the Schedule 13D is hereby amended and supplemented by the addition of the following:

As described in Item 4 above, on November 19, 2009, the Consenting Noteholders entered into the Plan Support Agreement with the Issuer Parties, under which the parties thereto agreed to the terms of a restructuring of the Notes pursuant to a chapter 11 plan of reorganization a copy of which is referenced as Exhibit 11 hereto (which incorporates by reference Exhibit 10.1 of the Current Report on Form 8-K filed by the Issuer on November 20, 2009) and is incorporated herein by reference.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

The following documents are filed as exhibits:

Item 7 of the Schedule 13D is hereby amended and supplemented by the addition of the following:

11. Noteholder Restructuring Plan Support Agreement, dated as of November 19, 2009, by and among the Consenting Noteholders and the Issuer Parties (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by the Issuer on November 20, 2009).

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Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: November 20, 2009

GOLDMAN SACHS ASSET MANAGEMENT, L.P

By: /s/ Rachel Parrish  
-----  
Name: Rachel Parrish  
Title: Attorney-in-fact

GS INVESTMENT STRATEGIES, LLC

By: /s/ Rachel Parrish  
-----  
Name: Rachel Parrish  
Title: Attorney-in-fact

LIBERTY HARBOR I GP, LLC

By: /s/ Rachel Parrish  
-----  
Name: Rachel Parrish  
Title: Attorney-in-fact

LIBERTY HARBOR MASTER FUND I, L.P.

By: LIBERTY HARBOR I GP, LLC, ITS GENERAL PARTNER

By: /s/ Rachel Parrish  
-----  
Name: Rachel Parrish  
Title: Attorney-in-fact